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Document

CES/813/Add.2
23 March 1994

Original: ENGLISH

STATISTICAL COMMISSION and ECONOMIC COMMISSION FOR EUROPE

CONFERENCE OF EUROPEAN STATISTICIANS

Forty-second plenary session
(Paris, 13-17 June 1994)

PLANNING AND PRIORITY SETTING IN OFFICIAL STATISTICS- THE CANADIAN EXPERIENCE

Submitted by Statistics Canada

INTRODUCTION

1. Priority setting is of central importance in the management of statistical agencies. It is the means whereby we resolve the pressures to increase the range of outputs so as to shed light on the new substantive concerns of society; to expand the range of dissemination vehicles and approaches; to reduce reporting burden; and to reduce budgets.

2. Unfortunately, there are no formulae or weighing schemes on the basis of which priorities could be derived in a mechanical manner. In the final analysis there is no substitute for judgement. However, it matters a great deal what inputs are used to condition the final exercise of judgement, and what processes are used to ensure that different perspectives have an opportunity to surface during the consideration of alternative planning scenarios. It is these inputs and planning procedures that will be the focus of the present paper.

3. It is important to underline that in the case of Canada these inputs exclude government interference. It is an intrinsic feature of the Canadian statistical system, as it will become apparent in the course of the paper, that there is no political interference in the setting of statistical priorities. Overall budgets are established for Statistics Canada by the government. But their allocation is left entirely to the discretion of the Chief Statistician.

4. Section 2 of the paper will be devoted to a description of the variety of mechanisms used to maintain awareness of the substantive requirements of different client groups. Section 3 describes our planning process, i.e. the identification of strategic directions and the setting of priorities within a given budget. Section 4 provides a summary of the specific methods used by Statistics Canada to influence the size of its budget -- methods that have proven to be at least partially successful. Finally Section 5 will articulate some lessons we have derived from a long decline in budgetary levels which has recently been reversed.

MAINTAINING AWARENESS OF USERS' NEEDS

5. Statistics Canada, while a federal agency within a federal system of government, is explicitly required by the Statistics Act to serve the statistical requirements of all levels of government. But by tradition, and at least implicitly by legislation, it is seen and sees itself as serving the (non-proprietary) statistical information needs of all sectors of society. Maintaining awareness of the requirements of such a wide range of clients can only be accomplished through a variety of different mechanisms. Some of these are targeted to suit the specific circumstances of particular client groups, others have a broader and cross-cutting character. Among the mechanisms used by Statistics Canada to keep abreast of the needs of all its client groups are the following.

(a) Consultations with federal government departments.

It has been our experience that bilateral consultations -- with one department at a time -- are considerably more productive than multilateral ones: in multilateral meetings a large part of the agenda is, of necessity, of limited interest to a majority of participants. As a result, and over time, there is downgrading in the level of representation of client departments. Liaison with the statistical office is handed over to technicians -- people with little awareness of the policy agenda of their departments and even less authority to commit resources when these are needed to back up their priority requirements. In order to combat this risk, and to balance the perceived risk of a centralized statistical system becoming isolated from the government's policy priorities, bilateral committees at the level of Assistant Deputy Minister 1/ level have been created with each of the major departments. These committees review opportunities to exploit new statistical programs, statistical needs which cannot be met through existing programs or simple modifications of them, the statistical implications of new policy initiatives, possible short term means of meeting these needs (e.g. work directly funded by the client department), and, in some cases, the supply and adaptation of administrative data.

(b) Federal-Provincial Consultations

Given their constitutional responsibility for health, education and justice, provincial governments are both key policy users of statistics and the primary source of administrative data in these areas. In each of the areas of provincial constitutional responsibility we have established a network of federal-provincial committees which at the summit involves the group of responsible deputy ministers and the Chief Statistician of Canada. These senior committees identify the specific policy priorities requiring statistical support, and provide a forum for peer pressure on the relevant provincial and federal departments to adjust their administrative systems over time so as to achieve comparable statistical reporting. For each of the other major subject areas, working level committees of the provincial statistical offices and Statistics Canada meet annually and report to an umbrella body -- the Federal-Provincial Consultative Council on Statistical Policy. The latter is composed of the official statistical appointees of the provincial governments and is chaired by the Chief Statistician of Canada. It reviews cross-cutting issues affecting federal-provincial relations within the national statistical system.

(c) Advisory Committees

Fifteen advisory committees were established by Statistics Canada to advise the Chief Statistician in major program areas such as demography, international trade, agriculture, etc., and on cross-cutting issues such as statistical methodology. Members are chosen for their expertise in the various areas. They provide a valuable external source of advice and stimulation. A National Statistics Council, composed of some 40 distinguished Canadians with backgrounds primarily in academic work, business, and labour, is appointed by the Government to advise the Chief Statistician on policy and major program issues. Each advisory committee is represented on the Council.

(d) Program evaluation

Every major program area is subject to a formal program evaluation approximately every five years. A major focus is the extent to which the program is meeting user needs, and whether it should be curtailed, modified, or expanded. In order to ensure objectivity, all evaluations are carried out by external experts under contract to the Chief Statistician. Their reports, together with the response of the reviewed program's management in Statistics Canada, are carefully reviewed by the senior executive body of the agency.

(e) Monitoring policy initiatives

Given the lead time necessary to put new statistical programs in place, it is essential to monitor emerging issues of policy concern and to anticipate the likely corresponding information needs. Close liaison with policy departments, access to and systematic reviews of Cabinet documents, and

participation by the Chief Statistician in the weekly and other briefings of Deputy Ministers are among the measures used.

(f) User enquiries and market feedback

User enquiries, especially those that cannot be satisfied, provide very direct information on user needs and data gaps. Equally, sales figures on conventional publications and electronic media products as well as other indicators (e.g. numbers and types of accesses to electronic data banks) constitute another direct source of information on what users really value and what they appear willing to forego. These market signals have become meaningful since we introduced realistic prices for statistical products and services (Fellegi 1991,a). In some cases, particularly where new products are being considered, targeted market research can be used to assess demand and tailor the product accordingly. We respond annually to some 400,000 telephone enquiries, process 380,000 publication subscriptions and casual sales, and sell 1,000,000 accesses to our on-line electronic data bank.

(g) Specific program consultations

On the occasion of major program designs and redesigns extensive and focused user consultation takes place. A prime example is the 1991 Census of Population which was preceded by a widespread program of public meetings, focus groups, meetings with known and potential data users and interest groups. Such consultation is important not only for establishing data needs, but also for developing public support for the program itself when it reaches the collection stage. Another example is provided by the consultations that take place when a major classification system is overhauled.

(h) Liaison with other user groups

Periodic meetings with representatives of groups such as trade associations, Chambers of Commerce, professional societies, and routine participation in their relevant meetings and workshops contribute to Statistics Canada's awareness and understanding of the needs of these groups. This task is shared by staff from Ottawa with their professional colleagues largely dedicated to this task and located in our various regional offices.

(i) Analytic feedback

Analytic use of statistical data is another important source of information on data weaknesses and gaps, and therefore of potential data needs. An internal analytic capacity provides a particularly useful approach to identifying data quality problems as well as gaps in the data. By using statistics to analyze economic and social issues, agency personnel acquire direct experience comparable to that of the most intensive external users. Analytic work also provides a linkage to external analysts which, in turn, creates an awareness of their emerging data needs. Statistics Canada's

analysts typically become strong "product champions" of both new statistical information and improved access and dissemination methods.

6. It may seem that what we have described is both burdensome and too elaborate. Admittedly, some of it is explicitly designed to cope with the Federal structure of Canada and is of greater interest to other federal states. But the rest is broadly applicable. We consider the process as the price of an assurance that our product line is relevant and that we are clear about the direction in which we want it to go to stay relevant in the future.

THE PLANNING PROCESS

7. Statistics Canada has developed and implemented a detailed planning process designed to integrate the various inputs and signals described in Section 2, within the budgetary framework provided to us by the Government. Given the inherently judgmental nature of the final setting of priorities, we consider it important that the process be transparent in the sense that all proposals, their reasons, and inherent trade-offs be fully and openly discussed with all senior managers of the agency. This ensures that the full range of considerations is taken into account, that decisions are visibly made on the basis of statistical priorities and without political interference, and that they represent a "corporate consensus". The planning process is also designed to allow cross-cutting issues to surface, to foster efficiency improvements, and to encourage innovation by funding low cost but promising proposals (e.g. small research studies, pilots, feasibility studies).

8. The process consists of four steps:

- the preparation of Annual Program Reports on each line area's activities and performance during the previous year;
- the review and updating of strategic long-term directions and priorities;
- tactical and operational planning; and
- decisions regarding resource allocations and policy issues.

These will be described in the next section.

9. Before getting into the details of the planning process, it should be borne in mind that the bulk of resource allocations within the agency is pretty much fixed from year to year. In fact, on average Statistics Canada's annual plan displaces for reassignment some 3 to 5% of its total budget, which is probably typical for a well established and developed statistical agency -- an overwhelming proportion of whose core programs cannot be changed from year to year. Of course, the annual value of these reassignments is very significant on the margin (some $9 million) and their cumulative impact year-in and year-out is considerable.

(a) Annual Program Reports

10. At the end of June each year a report is due from each subject matter (e.g. agriculture or education) and service area (e.g. marketing or computing services). It covers the significant achievements of the past year; measures of performance in terms of cost, timeliness, quality; an assessment of the extent to which the program complies with corporate and international standards; significant new initiatives under way; and major issues confronting the program.

11. While these reports serve as an accountability vehicle for program managers, the section on major issues is an important source of that program's input to the planning process.

(b) Strategic planning

12. Strategic priorities and directions are reviewed during the summer. Directors of groups of related programs form so-called Planning and Review Teams (PRTs) whose proposed strategic priorities are reviewed and filtered by "syndicates" chaired by the most senior agency officials immediately below the Chief Statistician. The syndicates examine the changing pressures and opportunities in their respective program areas, and confirm or adjust their proposed strategic priorities accordingly. These are presented to a conference comprising some thirty of the agency's senior managers for a thorough debate and discussion. On the basis of the conclusions reached, the agency's top management establishes and issues corporate strategic priorities and guidelines for that year's planning cycle.

13. By definition, strategic directions do not change drastically from year to year. They are refined, rather than fundamentally changed each year, unless significantly changed circumstances call for dramatic reorientations. An issue ceases to be a strategic priority once the means to address it are mobilized and put in place.

(c) Tactical and operational planning

14. Guided by the strategic priorities and the variety of applicable inputs described in Section 2 above, Planning and Review Teams develop tactical plans and program proposals for their respective areas. These are used by the Syndicates to prepare specific proposals for program changes. All such proposals are developed jointly with the relevant service areas to ensure that they are properly and fully costed.

15. Planning proposals are prepared under the following categories:

- **Adjustment:** To request a modification to a prior year's planning decision, e.g. to postpone the phasing in of an efficiency proposal or to reduce the scale of its returns. We want to ensure that planning proposals do not become overly conservative, therefore are ready to accept such adjustments when there are good supporting reasons.

- **Ongoing:** To seek additional resources necessary to maintain a program at its current level of frequency, detail, or quality. Workload increases are normally expected to be absorbed within existing resources. Therefore these requests are strongly discouraged and are only approved in exceptional circumstances. Indeed, relatively routine approval of such requests could quickly exhaust the small discretionary resources which can be freed up from year to year.

- **New initiative:** To seek resources needed to improve an existing activity or to initiate a new activity. The proposed activity can result in new or improved statistical output, or it may relate to an internal service function, or investment in infrastructure. We also maintain three so-called "block funds". Two of these represent resources earmarked respectively for methodological research and analytic activities; the third is earmarked for a variety of small investments needed to improve the system of national accounts and its feeder surveys. The annual allocation of resources from these block funds is delegated to groups of managers. Their activities are reviewed post facto during the senior planning conference and the reviews can give rise to adjustments to these funds.

- **Efficiency:** To identify an activity that can be carried out with fewer resources without diminishing the level of output or to seek resources to invest in a process that will give rise to an efficiency. On the assumption that an agency involved in information processing should be capable of sustaining an average 1% per annum efficiency improvement, syndicates are assigned a 5% efficiency target over five years. The individual program targets and annual phasing are left to the discretion of syndicates. Where increased productivity requires initial investments, the corresponding requests are approved, provided they can be amortized over three years. The most frequent investment requests relate to micro-computers and local area networks.

- **Contingency:** To identify statistical program from which resources can be liberated, by reducing content, coverage, frequency, levels of internal service, or by outright elimination of a component activity. Contingencies are the relatively lowest priority activities within the scope of a syndicate. Each syndicate is asked to identify every year contingencies representing 5% of its fully costed budget. By identifying contingencies, the planning process demands the explicit comparison of the relatively lowest priority programs which are currently carried, with the relatively highest priority programs proposed as "new initiatives".

16. Syndicates may and do also raise management or other cross-cutting issues which may have no direct resource implications but which may require a policy decision.

(d) Decision making.

17. Syndicate proposals are reviewed at a three day planning meeting held in mid-January and, as in the summer gathering, attended by some thirty of the agency's senior managers. At these meetings all recommended proposals are discussed, challenged, and further refined. This is designed to generate a shared understanding of all proposals, of the budgetary framework and its broad implications, and of corporate commitments and priorities. The feedback that managers receive at these meetings is crucial: these are the occasions to "put our money where our mouth is", i.e. to demonstrate through actions what the real corporate priorities are. This is also the occasion to show that innovative proposals are indeed favoured, that the identification of contingencies is expected to be realistic, that good corporate behaviour is expected and rewarded.

18. Many of the trappings of our planning process are there not just to ensure that the right allocations are made but also for a more subtle and in the longer term more important purpose. A process in which the evaluation of priorities and the reassignment of resources is the result of a collective effort develops a corporate mentality without which an integrated agency such as ours cannot work effectively. Our program will run the risk of fragmentation and suboptimization if our managers cannot maintain a corporate perspective at the time of planning review. For this reason, we deliberately foster means of inducing good corporate behaviour. When it is displayed, we try to find ways of rewarding it.

19. Following the plenary meeting the agency's top management carries out a final integrated assessment of proposals and makes decisions on all of them before the start of the next fiscal year on April 1st. Decisions and their underlying reasons are communicated to all managers.

20. While this process is time consuming and involves considerable consultation, it results in corporate decisions which take into account the wide range of inputs and insights needed to achieve the needed balance in program and policy priorities. Each of the several initiatives encompassed by the planning process produces identifiable benefits, but it is their cumulative effect, particularly over time, which results in significant shifts -- in programs, in values, in management style.

21. It is through this rigorous planning process that the agency managed to get through a period of severe reductions -- involving 486 person-years or some ten per cent of its strength since 1985, on top of a twenty per cent strength reduction in the late 1970s. Furthermore, we insisted that a certain level of resources must always be available for new initiatives. Therefore, efficiencies and contingencies had to yield sufficient resources to satisfy both of these requirements. Over a six year period almost 700 person-years were made available, of which some 200 could be reallocated internally once the externally imposed reduction was accommodated.

INFLUENCING THE BUDGET PARAMETERS

22. The previous sections described the specific means used by Statistics Canada to maintain an awareness of client needs and to allocate resources within given

budget parameters. In this section a brief account is given of the approaches we have used to influence these parameters.

23. First, it is a prerequisite that there should be a broadly shared belief among government decision makers in the value of statistics for policy making. The agency must engage in institutional marketing to highlight and publicize existing statistics relevant to policy issues, and to explicitly identify missing statistical information and the type of analysis that it would support.

24. Statistics Canada has implemented several concrete initiatives with this objective. Every time a statistical release is issued with some significant and non-routine information, the Chief Statistician sends a personal letter containing analytic highlights to the federal deputy ministers of the appropriate departments. The same is true regarding provincial deputy ministers in respect of areas of provincial primary responsibility.

25. Presentations of statistical trends and analyses in particular policy areas have been given to the community of federal deputy ministers. These presentations bring together relevant data from a wide variety of sources and have been greeted with enthusiasm by officials who are typically unaware of the analytic power of integrated information. The presentations provide an ideal forum for highlighting missing statistical information and the implications of these gaps.

26. All cabinet documents are routinely reviewed. These reviews represent further occasions to underscore to the deputy ministers of the originating departments the statistical information needed to support their recommendations or to monitor the impact of the new programs that they propose. Regular attendance by the Chief Statistician at weekly federal deputy minister meetings and periodic retreats provides further opportunities for productive interactions, and also contributes to establishing networks of personal relationships. In our experience the knowledgeable support of deputy ministers is of critical importance: when it comes to statistics (or other "technical" issues), most ministers are ready to accept the advice of their deputy ministers.

27. Secondly, it is essential that the central management authorities develop an image of Statistics Canada as a well managed agency that uses its resources efficiently and that sets its priorities well. In Canada these central management authorities are the Treasury Board, which oversees government operation, the Department of Finance, and the Privy Council Office (cabinet secretariat). The importance of perceiving the statistical office as a well managed agency cannot be exaggerated. In fact, even where the case is successfully made that serious statistical information gaps exist and that these gaps hinder the development or monitoring of important government activities, it does not follow that the statistical office should be granted additional resources. Indeed, the traditional and strongly held view used to be that among "all those statistics" there must be some that should be discontinued; and at any rate there must be further room for generating additional efficiencies.

28. We have worked very hard to establish an image as being one of the best managed departments of government. This involved the application of a series of innovative management techniques, particularly in the areas of personnel management, management of electronic data processing, planning, financial management, and program evaluation; and investing in the effort of sharing our experiences with others. This latter activity is pursued in a variety of ways: through invited lectures to the community of personnel managers, lectures to the community of Assistant Deputy Ministers, special reports, articles in general federal government organs and business magazines, and active participation in appropriate committees and task forces.

29. Thirdly, the agency's technical reputation must be strong. For this there are no recipes. It requires a sustained record of timely, relevant, and reliable output over a period of time. Key elements of such a performance must include the maintenance of strong technical standards, a strong internal capacity for methodological and analytic work, and robust infrastructures which provide a capacity to respond flexibly to externally funded user demands. A high international reputation also tends to bolster the domestic image -- at least in Canada. Furthermore, such a performance has to be supported by a communications effort to ensure that the image of the agency reflects this performance. Elements of such a communications effort include readable publications, good substantive analyses, releases of highlights of statistical information in language reproducible by the media, responding constructively to criticisms of the agency and misrepresentations of its outputs. Of course, appropriate internal review procedures are necessary to ensure that the outputs of the agency meet its technical standards and are appropriate for a government statistical agency, e.g. that analytic studies are carefully balanced so as to inform policy while not straying into the domain of policy prescription. A reputation that has taken years to build up can be lost very quickly by one or a few mistakes. It is an unfortunate truth that the image of the agency is almost as important as the reality: relevant and accurate statistics are not useful if they are not trusted.

30. To summarize the ingredients necessary to maintaining relevance, the statistical office must know what information is needed to shed light on the most important issues facing society, it must corral support for its view, be seen as not having excess resources, be capable of producing the needed statistics, and be trusted to do so well.

31. These conditions were exploited recently to obtain funding for some essential new information development. The manner in which this was done provides an interesting example of what has been discussed. Statistics Canada's program was mostly framed in the sixties to respond to sixties issues. Its primary focus is on macro-economic indicators, such as the national accounts, the balance of payments, consumer prices, and the status of the labour force; and on the expenditures of social programs such as income support, health and education. These issues remain very important, and it is essential that information on them remain complete and reliable. But other policy concerns have emerged that are also in urgent need of information support. They include international competitiveness and the factors that affect it; the impediments to inter-

provincial trade and their impact on constitutional arrangements; the impact on individuals of current social, health and education programs; and the structure and performance of service industries.

32. In 1989 we began to draw attention to key policy issues whose understanding and analysis is severely hindered by the absence of insightful statistical information. With presentations that demonstrated the policy questions for which the supporting statistical information was unavailable, we made sure our audience understood that these were not Statistics Canada's data gaps, but gaps in the information base of the government and society in key areas of policy attention. We managed to convince key senior deputy ministers of the urgent need to strengthen the statistical system. This group included those responsible for health, employment, industry and economic policy. Support of the Minister responsible for Statistics Canada (who is also responsible for Industry, Science and Technology) was of course crucial.

33. With this support, the proposals were endorsed and we received additional funding extending over five years: some $5.6 million in the first year, rising to over $13.2 million by 1997 and beyond. Part of the funding will come from the existing budgets of four key policy departments -- a real measure of their support and belief in the credibility of Statistics Canada as a well managed agency.

34. As a result, new programs are being introduced in six areas identified by Statistics Canada as strategic priorities:

(a) A new longitudinal survey of households is being introduced to provide information needed to assess the impact of social programs (which account for 30% of all government expenditures) on different population groups. The currently available statistical information cannot distinguish the "transient poor" from those trapped in poverty. The evaluation of policy options requires information to analyze relationships and causality over time among the following factors: job characteristics; income and wealth from all sources, including accumulated pension rights; the desire for employment and spells, durations, and relationships of unemployment and low income; and personal characteristics, including changes in family circumstances, e.g. marriage, divorce, deaths, adult children moving out; and geographic mobility.

(b) Annual expenditures on health total 9% of Canadian GDP. While existing information systems can describe in broad terms the financial and operational dimensions of health institutions, they provide no insights about the effectiveness or efficiency of those institutions in improving health. To assess the cost-benefits of alternative strategies, information is required on the part that nutrition life-style, environmental and occupational risks, socio-economic status, and the use of health care services all play. A National Health Information System, encompassing a periodic survey on the health of

Canadians and its contributing factors and the integration of survey information with provincial health records to correlate morbidity and treatment with economic, social and demographic circumstances, is required. It will be developed in close cooperation with provincial governments.

(c) Annual expenditures on education total some 6% of GDP. Existing statistical programs provide a relatively full picture of the operations of the education system -- financing, enrolment, employment of teachers, expenditures. There is, on the other hand, very little empirical information with which to determine whether the system is producing the right skills for the labour market, the extent and causes of dropping out among students, the impacts of class size and teacher training on outcomes, and the relationship of education and training to socio-economic status. Statistics Canada proposes to develop such information, once again working very closely with the competent provincial authorities.

(d) Commercial services represent 60% of the business sector and include such key and growing sectors as information and computing, tourism, business consulting, telecommunications, and the many services to manufacturing typically provided, by small businesses. Major industrial shifts have taken place, affecting the labour skills needed, the location of businesses and their dependence upon the goods and services of other industries. Canada's statistical system, however, has not adequately monitored structural changes, nor has it measured in adequate detail the production of the service industries and their contribution to overall productivity. Our coverage of the service industries will now be significantly increased. Also, a selection of monthly output indicators will be produced to track the evolution of this sector and to permit early detection of trend changes that can significantly affect our understanding of business cycles. Better and more detailed information on international transactions involving our service industries will also be produced since they have become significant in the balance of payments and financial flows.

(e) There is a critical information gap concerning the functioning of the Canadian economic union. The last time we measured trade among provinces, a key indicator of the strength of economic links, was in 1984. Funding has been received to carry out a much needed survey on the origin and destination of provincial trade and to update inter-provincial input-output tables.

(f) The environment is close to the top of the national agenda. While some modest contributions to information development in this area had been made through internal reallocations, new funding will allow us to address a range of questions relating to natural resources, waste and pollution, and their economic impacts. We hope to develop estimates

of the economic value and depreciation of our key natural resources starting with petroleum and gas, and forestry. We will extend the framework of our System of National Accounts to show the interaction between production activities and the depletion of natural resources. We will develop estimates of wastes and pollutants, their management and destruction, including recycling. Finally, estimates of the expenditures involved in the protection, rehabilitation and clean-up of the environment will be developed.

CONCLUSION

35. We have derived some important lessons from our experience over the last decade - a period during which we coped continuously with severe budget reductions while succeeding, slowly but surely, in considerably strengthening Statistics Canada's reputation, at home and abroad, as an effective efficient and well managed organization which plays a fundamentally important role in informing public and private debate and decision-making in Canada.

(i) It is essential to have a clearly articulated vision of strategic information requirements that is based on a thorough understanding of client needs.

(ii) A prerequisite for this vision to correctly reflect the priority requirements of clients is the maintenance of a very wide range of "listening devices". The actual "signals" from clients are typically particular cases of common underlying information gaps: for example, the underlying weakness of service industry statistics surfaces in the form of inadequate statistics on different service industries, or weaknesses in productivity measures. It is therefore important to have a planning system that provides for the identification of common recurring signals with long-term implications.

(iii) Because so much of what we produce is to inform government policy, the head of the statistical office must play a personal role, an almost missionary one, in relation to the critically important client group of his peers, the deputy ministers of other government departments. This role, of course, must be supported by close working arrangements at the level immediately below.

(iv) The technical competence of the agency must be thoroughly established and recognized.

(v) The central agencies, keepers of the purse strings of government, must be convinced that the statistical office is very well managed, that it is efficient, and that it has no low priority activities whose elimination could free up the resources needed for the high priority new initiatives. In turn, this is accomplished by paying high attention to good and innovative management practices, by exploiting opportunities to call interdepartmental attention to these management

practices, and by having a strong planning system which can provide objective information on the reallocations already effected.

(vi) Having a good international reputation is very helpful. Central agency staff are not qualified to evaluate the technical competence of the statistical office; reference to international recognition can be a shortcut to developing such an image. This implies being an active participant in international work.

(vii) One of the most important lessons relates to the vital need to preserve, indeed to strengthen, the basic infrastructure of the statistical office during a prolonged period of resource reductions. It is very tempting to try to preserve statistical products almost at all cost. Yet if this means allowing the infrastructure to run down, it is a short-sighted policy. By infrastructure is meant the full range of technical and professional capacity of the agency. The reasons are simple: surveys can be reinstated relatively easily (given financing); but the professional and technical capacity, if allowed to deteriorate, takes many years to rebuild. Furthermore, the capacity helps maintain flexibility in responding to user-funded requests -- an important source of revenue. It also serves as the basis for realising efficiencies which can be turned to pay for budget reductions and/or to fund new initiatives.

(viii) Budget reductions should not be occasions to cut back on staff training. On the contrary, the fewer people we had, the more we realized the importance of improving their productivity through more and better training. We have completely revised and vastly expanded our training program for both professional and technical staff. We are now devoting over 3% of our budget to the **direct** cost of training (i.e. not counting the cost of the trainees' time).

(ix) As with infrastructure and training, it is essential to pay extra attention to maintaining a spirit of innovation during the "lean years". This means realizing sufficient savings from efficiencies and contingencies, over and above those required to satisfy the mandated budget reductions, to leave a margin of free resources. A proportion of these should be invested in small, innovative, often pilot type projects. The results can often be used to encourage other departments to pay for special new surveys of particular interest to them. Even more important, simply continuing to do what one has been doing will, given sufficient time, lead to the statistical office becoming "brain dead".

36. In conclusion, we consider it as a major accomplishment that we were able to make our key clients realize the fundamental importance of relevant statistics, not to statisticians, but for their own programs. We think that we were also serving the best interests of our clients by maintaining and strengthening the basic professional and technical capacity of the statistical office, even occasionally at the price of sacrificing some tangible statistical outputs.

ACKNOWLEDGEMENT

37. Large parts of this paper are based on internal working documents to which many colleagues contributed. In addition, parts of the paper draw heavily on the references below.

NOTES

1/ Deputy Minister is the rank of the permanent heads of government departments. The Chief Statistician is a deputy minister and Statistics Canada is a separate government department.

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UNITED
NATIONS

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Economic and Social Council

CES/813/Add.3
31 March 1994

Original: ENGLISH

STATISTICAL COMMISSION and ECONOMIC COMMISSION FOR EUROPE

CONFERENCE OF EUROPEAN STATISTICIANS

Forty-second plenary session
(Paris, 13-17 June 1994)

STATISTICAL PLANNING AND PRIORITY SETTING IN THE PROCESS OF TRANSITION OF THE SLOVENIAN STATISTICS

Submitted by the Central Statistical Office of Slovenia 1/

Abstract: The Slovenian Central Statistical Office has a Council which advises on its programme of statistical surveys in its National Programme of Statistical Surveys which is the essential tool for planning and priority setting.

Priorities are very heavily influenced by the transition process and by the agreement with Eurostat to adapt to the statistics of the European Union.

INTRODUCTION

1. Slovenia is a young and relatively small country in transition from a semi-market-oriented to a wholly market-oriented economy. It is also a country with a relatively high level of progress, a democratic system and an export economy that is oriented to demanding West European markets - and this is all reflected in the position of the national statistics. Years of contacts with West European statistics (particularly those of Germany, Denmark, Sweden and Austria) and with international organizations such as the OECD, as well as a register orientation, a facility in dealing with foreign languages and the study of methodological experiences of other countries, have provided the Slovenian official statistics with certain advantages.

1/ Prepared by Ms. Irena Križman. The author wishes to thank Mr.Tomaž Banovec and Mrs. Magdalena Žebre for their contribution to this paper.

2. Slovenia's European orientation and long-term trends aiming at joining the EU require a good and timely harmonization of the Slovenian statistics with international, and particularly European, standards. Harmonization has been carried out successfully ever since 1989 and it has been further intensified since joining the Conference of European Statisticians a year ago and also through the assistance Eurostat has provided for joining the PHARE statistical program. The anticipated associative agreement, the strategic determination regarding the accession of Slovenia to the EU and the signature of the Common Declaration on Statistical Co-operation between seven statistical offices in transition and EUROSTAT (2) will result in new time and contents priorities for Slovenia's national statistics.

3. This paper presents information on the organisation of national statistics, the statistical office's viewpoints on current and future international obligations, information on strategic trends to the year 2,000, and on the programming of statistical surveys and priority setting.

SOME GENERAL CHARACTERISTICS OF SLOVENIA AND ITS NATIONAL STATISTICS

4. Slovenia is a country of only 20,000 square kilometres and about two million inhabitants. Every square km is inhabited by 98.6 inhabitants. The capital city is Ljubljana, with 275,000 inhabitants. The GDP per capita in 1991 amounted to $US 6,133. In Slovenia, it was decided already in 1988 that each legislative proposal has to be verified with reference to its relation to international and especially European standards, and for this purpose the so-called Slovenian White Book was issued.

5. A relative reduction of budgets related to the increased extent of liabilities both in business and in the public sector, as well as growing complete or partial non-response of reporting units in statistical inquiries require that new approaches to organization and priority setting in statistics be adopted. This is particularly true of countries in transition like Slovenia. The managing of small countries involves a relatively higher expense. This is equally true for Slovenia and Slovenian statistics. All the rules quoted by Georges Als (1) in his description of the Luxembourg Institute of Statistics are applicable to us, too. The reasons he mentioned are as follows:

- costs of methodological preparations, training, organization and managing are as large as in the case of big countries;
- the size of samples is in inverse proportion to the absolute size of the measured population, which means that the costs of collecting data through sample surveys are higher;
- due to limited possibilities, the opportunities for expert training are limited;
- important complex tasks are carried out by one expert only, which results in a higher probability of errors in method and even calculation; and
- a small number of observed entities causes the problem of data presentation respecting the principle of statistical confidentiality.

6. Due to the above mentioned reasons, and especially in the case of small countries, it is vitally important to establish an adequate organisation and to engage in priority setting. Practice has shown that the most efficient statistical systems are those in the Nordic countries and Benelux countries which have developed register-based statistics that are bound to vertically and horizontally linkable records which have to be adequately organized both as regards methodology and classification.

7. The most important arguments in favour of such an orientation are: faster, better and cheaper statistics produced by offices which are responsive to the citizens of the country. A better organization of records also enables a more correct arrangement of the rights and obligations of citizens (e.g. social support, tax payments), a more rational operation of national authorities and the production of cheaper, better and more

timely statistics. The above mentioned reasons are even more important for countries in transition in which, due to a lack of financial and human resources, and with simultaneous growth of liabilities resulting from the transition into a market economy, such an orientation can signify a strategical advantage. Register-oriented statistics enable the establishment of the Geographic Information System (GIS). By using x and y coordinates each building can be located in space and via linkage of uniform identifications the information can be integrated with population data, data on the socio-economic operators, buildings, agricultural holdings and the like. This data base facilitates all decisions being well prepared at all management levels.

8. As early as 1988/89 the Slovenian statistical system had looked into and found some important methodological solutions in the fields of national accounts (according to SNA and ESA) and economic classifications (ISIC, NACE-Rev.1). Cooperation with statisticians in Germany, and particularly in the statistical office in Nordrhein-Westfalen, has been taking place for more than 15 years. Thanks to these windows into the developed statistical world we could develop a data bank based on the German model, develop the foundations of register-oriented statistics according to the Danish model, and through a Norwegian window become acquainted in 1987 with Norway's methodological approach to the system of national accounts (SNA) and to statistics in general.

ORGANIZATION OF NATIONAL STATISTICS IN SLOVENIA

9. Slovenia has a centralized and functionally organized national statistical system. The basic tasks are performed by the Statistical Office of the Republic of Slovenia. The office employs about 320 people, of
which over 100 hold an academic degree. It is important to highlight that all through the period of the former state, Slovenia had its own statistical office and, for the most part, it had - in addition to the federal law - a special republic Law on Statistics, as well as a programme of statistical surveys. Due to this circumstance, the transition was much easier prior to, during and especially after, acquiring independence. We have an established statistical tradition and experts at least in some fields which makes it easier for us to approach the task of harmonizing our approach with international standards. We also have a solid foundation in the field of information technology (we have, on average, one personal computer for every two employees, and they are all linked into a network; and having them connected to the main frame enables a modern type of work operation and direct links to the domestic and international environment).

10. The legal bases of national statistics in Slovenia are regulated by the Law on National Statistics. This law is under review in Parliament and has gone through its first reading. We expect that it will be passed in the first half of this year. The law defines basic principles of the operation of national statistics; the status and tasks of the institution which carries out basic tasks in the field of national statistics; the composition and duties of the statistics council which is a professional advisory body for strategic and development questions; statistical advisory committees for various domains of statistics; the national program of statistical surveys and their methodological bases; registers; conditions of collecting, processing and storing of data; data protection; statistical applications; dissemination of data; and international statistical cooperation.

11. The law is based on the principles that are written in the Resolution on Fundamental Principles of Official Statistics (3). Besides, we have studied statistical legislation of a number of developed countries and of also some countries in transition. Based on the principles of organizing the statistics in market economies, we have prepared the draft version of the statistical law. In this regard we are particularly grateful to Mr. Engelage (Eurostat) and Mr. Brungger (EFTA) for their enormous help and for the expertise they provided in the review and for their proposals for improving the text.

12. The draft proposed law on the business register of Slovenia and the draft law on the central register of population are other important parts of the legislation our office has prepared together with the authorized holders of the administrative evidence. They in fact continue the trend towards register-oriented statistics, which will be harmonized with international and European standards.

13. In compliance with the valid Law on the Government, the statistical office is part of the state administration and, as a government agency, it is directly subject to the Prime Minister. The solution is of a transitory character until the Law on National Statistics is passed. It is

expected to arrange the status of the national statistical office. Assuring the declared professional independence of the office will be more efficient via legal authorizations and with complementary self-financing where the price of services is, certainly, protected and the scope of such activities is limited. It is also extremely important to assure the continuity and qualification of the leading staff who should be independent of changes in the government and parliament.

14. The process of transition of the contents requires certain measures and re-organization of the administration, classification and different knowledge of the staff. It is very important that through a flexible, project-oriented organization we try to classify the existing staff in the most rational way. As regards knowledge, we put stress on new skills in methodology and classifications and in experience with developed countries as regards applying international standards to the national ones in practice. A pre-condition for this is for the staff to have language skills which are at a satisfactory level since we are devoting quite some money and time to language training. A special problem we have encountered is the lack of adequate skills in the field of new methods of data collection (ie with using samples instead of complete coverage) which could be carried out in the so-called social sector prior to privatisation. When private property and a large number of small socio-economic operators appeared, a rational collection of quality data from them emerged as a very important problem.

STATE OF NATIONAL STATISTICS IN SLOVENIA IN AN INTERNATIONAL ENVIRONMENT

15. Slovenian national statistics were first introduced at the 40th plenary session of the Conference of European Statisticians in June of 1992. For our statistics this was an extremely important step in making contacts with the international statistical environment. The materials obtained through participating in international meetings have facilitated us in preparing transition programmes of good quality. We believe that the organised common actions, prepared by the Conference of European Statisticians, Eurostat, the OECD or some other international institutions, are of importance for us, as they allow for larger implementation of human and financial resources. In this regard we must explicitly highlight the technical assistance provided to us by Germany, the cooperation we received from the Austrian Central Statistical Office and the technical assistance we received from the ILO, which have managed to increase our chances in the transition process.

16. In the spring of 1992 we established, at that time only informally, contacts with EUROSTAT. After joining the regional statistical programme PHARE a year ago, we started to participate in selected Eurostat actions, workshops and courses. We were offered quite a bit of help through consulting and at negotiating. This help was efficiently put into practice. As a new, young republic, we found ourselves in the company of older ones who by 1990 had already, through special agreements, taken part in international statistical organizations. In January of 1994 we signed a common declaration of statistical cooperation between Eurostat and seven European countries in transition (2). The signing of this declaration not only involved some positive judgment of our statistics but it also resulted above all in the necessity of both parties obtaining data for negotiation. In December of 1993, the first exploratory negotiations on the associative agreement between Slovenia and the European Union were completed and they increased the need for having formal cooperation in the future.

17. The new and almost immediate requests for statistical data (especially for export-import data and basic business cycle indicators) needed in negotiations, required a faster pace of progress on some previously planned tasks (eg the initiation of combined nomenclatures into customs documents and custom duties). The Declaration assumes an adequate legal organization of the statistical service, the introduction of statistical standards, classifications and methodologies applied in the EU and internationally, conveying data to the EU as other member countries do, and preparations for the transfer of the data required for the negotiations on accession.

18. The signature of the Common Declaration was also for the Central Statistical Office of Slovenia (4) an important step which will enable the Slovenian statistical system to supply national authorities and the European Commission with certain statistics even before the accession of Slovenia to the EU for negotiation purposes, and from the moment of the accession; and to supply them with all statistics in the same way as other Member States do. For these purposes technical assistance will be provided.

19. There is no doubt that the tasks of the Slovenian CSO will increase rapidly, not only as far as the introduction of EC statistical standards, methodologies and classifications are concerned but also in view of the preparation of national programmes and co-operation projects as well as coordination of statistical projects with projects of various authorities. On the other hand the signature facilitates the statistical office

completing some necessary legal steps faster, and it supports, through different means, the office's professional position, especially with regard to the choice of scientific methods, definitions and methodologies. It also supports its coordinating role concerning statistical surveys of administrative bodies.

20. Eurostat would like to improve the PHARE statistical co-operation. But some of the concerns cannot be linked to the case of Slovenia, which has benefited from PHARE statistical co-operation for only about one year so far. Since then good results have been achieved not only with reference to the implementation of statistics, but also with two pilot surveys which are to commence in 1994. What we could improve is the prioritisation of multi-annual and annual co-operation needs. But we could not accept rationalization of the EU's intervention by exploiting synergies between country programmes and not between projects if national needs in co-operation projects are not sufficiently respected.

21. Each country has its own specificity and that is why association agreements differ. In addition, the later that an association agreement between an ECO country and the EC is entered into, the more demanding it is for the country in question to follow the stages achieved in the EU. This automatically leads to differences in requirements both concerning statistics (for instance reporting in HS or in the combined nomenclature (CN)) among ECO countries and priorities by ECO countries. Does this mean that all seven or maybe twelve ECO countries will get membership in the EU at the same time? If not, priorities and programmes may considerably differ among ECO countries, and synergies existing between ECO countries and between statistical domains may be weaker than expected. Would that lead to adjustments being made in a cooperation project of an ECO country to co-operation project(s) of another ECO country (countries) with different deadlines but similar projects? We really hope that it would be constantly borne in mind that the work programmes of ECO countries really have to be used as a guide to Eurostat in order to use limited resources and that it would be flexible to respect different speeds and levels achieved.

22. In March of 1994 the Statistical Office of the Republic of Slovenia will sign a special "Common Declaration" with Eurostat. The signing ceremony will be attended by assisting countries who shall offer actual technical support proposed in the Proposals for the PHARE Programme (9). Eurostat has already sent us the list of statistics, the legal basis, various definitions and classifications and technical materials concerning data dissemination (5) which are to be respected by the national statistical offices of countries in transition when they are engaged in planning and priority setting for their national statistical programmes and current operations.

STRATEGIC TRENDS OF THE SLOVENIAN NATIONAL STATISTICS BY THE YEAR 2,000

23. Activities continue in arranging the status of the national statistics, comparable to statistical offices in developed European countries and other legal bases regulating the National Programme of Statistical Surveys, the infrastructure of registers, meta data bases and records.

24. The register orientation of Slovenian statistics according to the Scandinavian model assumes that data will be acquired in a rational way, especially from the existing administrative sources and by sampling, even though a different method (full coverage) was used in the past. It is important to respect common standards in the field of classifications, methodologies and standards for data processing and dissemination, as well as a high level of coordination on the statistical and administrative level.

25. The present law provides statistics with the possibility of acquiring individual data from all sources and allows the connection and application of data for statistical purposes. All this requires organized, institutionally-arranged and horizontal coordination of the contents and functions of the administrative records and registers in Slovenia. In this view, and especially during the transition period, the coordination of horizontal linkage is of special importance.

26. National statistics, in line with the existing and planned legislation, have the right and the duty to comment on all data collection which is not planned by the National Programme of Statistical Surveys (NPSS). This is intended to prevent multiple data collection and to assure

common methodological and classificational bases. In addition, the data of the national statistical office are official data. Therefore, the statistical office should also be involved in the international presentation of the data.

27. Harmonization of the contents and objectives of NPSS with the international standards means continuing the work that was undertaken on harmonizing national classifications and methodologies with the international (and particularly European) standards. This means a gradual harmonization of our standards accepted in the frame of the Economic Commission for Europe (ECE), the Conference of European Statisticians (the CES) and other specialized organizations (like ILO) and supranational ones (Eurostat). A particularly important document is the Common Declaration on cooperation in the field of national statistics among Eurostat and the following seven countries (the Republic of Bulgaria, the Czech Republic, Hungary, Poland, Romania, the Slovak Republic and the Republic of Slovenia) (2). The above mentioned declaration, signed on 17 January, 1994 by Slovenian statistical authorities, puts important demands before us both as regards the contents of the transitional fields (data on the flow of goods and services, persons and capital and data referring to priority setting), that are important for such negotiations. The tasks defined in the Statistical Programme of the European Union for the 1993-1997 period (6) are particularly important for us as a long-term trend.

28. Improving the dissemination function is a very important task, as it can be listed as a key infrastructural task for the horizontal linking of priority domains of statistics. A timely and constant data supply to users is one of the principles of the organization of national statistical services, since timely and correct information means a strategic advantage in a market society. The construction of infrastructural data bases, offering various types of training to data suppliers and data users, and providing explanations of the methodological limits of data applications - all this reduces the probability of users making incorrect or even erroneous data applications. The latter is even more important in the temporary period of converting to new standards. The important task is to make the users (governmental bodies, professionals, the public, the mass media and others) understand and use the new methodologies and classifications. For a correct understanding, the internationally harmonized standards will have to be adequately arranged, terminologically speaking. The model planned is EUROVOC - the European dictionary of terms which contains the terminology of the Official Journal of the European Communities in all languages of The Twelve.

PROGRAMMING OF STATISTICAL SURVEYS

29. Programming of statistical surveys is a demanding process in shaping the needs of users into a nationally significant programme of statistical surveys. The statistical council, which according to the law on national statistics, is planned as a professional, methodological and advisory body for issues connected with strategy and development, co-operates in the elaboration of the NPSS. It is composed of representatives of the professional bodies and of public administration. The tasks performed by the statistical council are as follows:

- preparation of starting points and contents of the national programme,
- evaluation of the proposed contents of the national programme and initiating the changes,
- discussing the proposals of laws and other regulations in the domain of national statistics,
- proposing the methodological bases for the statistical surveys of national importance,
- resolving professional dilemmas in the national statistics,
- proposing the rationalization and modernization of the domain,
- giving initiatives and proposals for international cooperation in statistics,
- proposing the classifications that are used as national standards.

30. As the operating bodies of the council, statistical advisory committees are established for each major field of statistics. In making the programme, institutions of the national and public administration have an important role beside individual members of the statistical council and

advisory committees. The holders of administrative records and the future managers of registers have a particularly important role to play (eg the Ministry for Agriculture and Forestry in the case of the register of agricultural holdings, and the Health Insurance Agency in the case of the register of health insurers) as of course, the main data users and suppliers do.

31. The national programme of statistical surveys (NPSS) is the central tool for planning, coordinating and monitoring activities in the field of national statistics. Statistical surveys involve the collecting, processing, storing, analysing and presenting (i.e. dissemination) data on important mass phenomena from the economic, demographic and social domains and on the problems of environmental protection and natural resources. The programme is assumed to last several years. The formal proposal of the programme is prepared by the statistical office in collaboration with the statistical council. After receiving its confirmation, the Government forwards it to Parliament for a procedure where it is passed in a similar way as the laws. Once a year, the statistical office reports on the course of the programme to the Government and the National Assembly. Larger surveys (censuses, and surveys with comparatively long questionnaires) are carried out on the basis of special laws, especially for reasons of financing.

32. The Statistical Office of the Republic of Slovenia which carries out the tasks of national statistics is responsible for the coordination of the elaboration and execution of the programme. Besides the statistical office, there are authorized programme operators who implement the surveys in specific fields (eg. the Health Protection Institute; National Bank; Ministry of Labour, Family and Social Affairs; and the National Employment Office). The programme of statistical surveys comprises over 233 titles of statistical surveys which are carried out by the statistical office, and about 120 of those carried out by authorized operators. The principal fields include all standard fields of statistics, comparable to the statistics of developed countries. Transition and harmonization with the international environment is evident, both as regards contents and terms, in the specially important part of the programme which defines over 40 long-term development tasks.

PRIORITY SETTING

33. Full or associate membership in the EU imposes large and demanding tasks on national statistical offices. The accepted statistical programme of the EU (6) represents a direct obligation (in the sense of legal bases) and more clearly defined obligations (as regards contents, deadlines and even techniques) for all national statistical offices of member countries. The fourth part of the programme of European statistics consists of sectoral programmes involving cooperation in statistical fields with non-member countries. Article 76 of the Treaty on the European Economic Area is reflected in the joint EU-EFTA statistical programme.

34. Special attention is paid to countries whose economies are in the process of becoming more market-oriented. Cooperation assumes the elaboration of long-term programmes, divided into statistical fields where projects and individual tions are classified into priorities. Long-term programmes are also planned by the common declaration of the seven statistical offices of EC(ıtries and Eurostat (2), which also provides financial support through PHARE.

35. Planning and priority setting in the Slovenian national statistical system is carried out through the National Program of Statistical Surveys. The following important criteria are taken into account:

- application of statistical data for the purpose of politics on the national and regional levels, for a the requirements of socio-economic operators and for democratic decision-making (independent professional public);
- meeting the demands of the future associative agreement on joint membership in the EU and the planning needs of the future full membership;
- meeting the demand of the Common Declaration on Cooperation of the Seven Statistical Offices and Eurostat (2) and of the special agreement;

- gradual harmonization of contents and terms of the National Programme of Statistical Surveys with the statistical programme of the EU (6);

- arranging and harmonizing also on the level of administrative data collections, and determining which specific obligations are already in force in the EU (eg. harmonization of business registers for statistical purposes (8), introduction of SAD into the customs documentation, recognizing educational qualifications, and the issuing of training certificates);

- considering the stipulation of the common declaration on transmitting data to Eurostat as to the list of statistical indicators (5) where, beside the expected harmonization of the contents and classification, the periodicals and type of data transmission are planned; and

- presentation of the Republic of Slovenia as an entity in international publications and data bases on the basis of internationally comparable data.

36. Some of the most important long-term objectives of Slovenian statistics are outlined below together with a general indication of the extent to which harmonization with the larger international environment is being achieved.

37. Harmonization of statistical classifications with international standards is a long-term task of infrastructural significance. Principally, this refers to harmonization of the systems of both economic classifications (activities, products, services and goods) and social classifications (occupations, educational attainment). Introduction of the new Standard Classification of the Activity, harmonized with NACE, Rev.1, is progressing. The work began in 1987, and we think that by April of 1994 the classification will become official since it was sent as the proposal of the Governmental regulation for confirmation. The regulation on introducing the Standard Classification of Activities assumes the date of its coming into effect from 1.1.1996 onwards, and allows for an earlier one and a half year test period. This year we are planning a large census of socio-economic operators which, among other things, will help assure a quality determination of activities. We will use the revised criteria for classifying activities and the definition of statistical units in line with European standards (7). The next step is the revision of the Nomenclature of Products according to PRODCOM. We plan the harmonization of the classification of services. A new classification of occupations and also harmonization of the classification of training, education and science are being prepared.

38. In the EU countries, the harmonization of business registers for statistical purposes (8) is proceeding. The time period planned for establishing harmonized business registers is 31 December 1995. Slovenia has had a business register for over 10 years now. However, it does not completely meet the prescribed European criteria. Work on the development of legislative procedures for the law on business registers has been initiated. We expect that it will be passed in the first half of this year. The objective of this law is to establish and maintain the recording of the register for statistical purposes and the maintenance of the administrative business register. It will be centrally monitored and, besides defining uniform identification, will contain some of the most important data on the registered socio-economic operators, on the demography of enterprises, especially for national purposes, for the socio-economic operators themselves and their associations, for the harmonization of the national statistics with European standards and for the further development of the register-oriented statistics.

39. Assuming that a harmonized business register and the census of socio-economic operators will be in place in 1994, after the test period of introducing the new Standard Classification of Activities, the next priority is revising and upgrading enterprise statistics, and especially monitoring small and medium-size enterprises and defining statistical units according to European criteria (7).

40. Another priority is the continued upgrading of the system of national accounts according to ESA, with special stress being placed on introducing quarterly and financial accounts. As a special methodological task we highlighted the Account of general government and its compulsory levies.

41. The monitoring of business cycle indicators will be completed by the revision of the existing and the introduction of some short-term indicators which are not yet monitored by Slovenian statistics. The introduction of business cycle questionnaires according to EU standards is also considered to be very important.

42. The EU foreign trade statistics monitor the joining of non-members into the liberalized flow of goods in the EU with statistical data, assuming that sources and methodologies of data are harmonized. They are planning to monitor data in the combined nomenclature (CN). The holder of this function in Slovenia are the Customs authorities, since CN has to be introduced into customs documentation. The cooperation of our office is also very important since foreign trade data are completely based on customs documents. This is also related to the large task of introducing the VAT tax system.

43. For us, trade in services at least in some fields of services is a new task. The Slovenian statistics shall co-operate in the pilot research in the field of road traffic which is being conducted by Eurostat. Similarly, in cooperation with other institutions, and especially with the Bank of Slovenia, we shall try to provide data on the exchange of all services.

44. The main objective of revising and upgrading agricultural statistics is to harmonize the statistical monitoring of the agricultural sector with the demands of the national agricultural policy, while at the same time harmonizing them with the standards of the UN/FAO and of the EU. The establishing and monitoring of the register of agricultural holdings is especially important. The Ministry of Agriculture is the holder of this register. By the end of 1995 we will prepare open questions for the preparation of a draft proposal for the Law on the Register of Agricultural Holdings. The register itself will be set after the census of agricultural holdings which is expected to be conducted before the year 2,000. By satellite teledetection we shall acquire data on land use as per main elements. The project of satellite teledetection has existed within Slovenian statistics for over seven years. Due to the success of the project we were included in the MARS project in 1993.

45. Related to the liberalized flow of labour, it is very important to monitor data in the frame of the European Community Labour Force Survey project. In Slovenia, the large and fairly detailed test survey has been being taken since 1989, while in 1993 it was regularly introduced for the first time into the national statistical program. In 1992, we adapted the questionnaire to EU standards. The survey is carried out on a sample of 8,000 households in May of each year.

46. Demographic statistics with special emphasis on migration and projections are also considered important. The importance of data on migration flows is interesting not only for national policies but also in the international frame. Besides, migration is among the [illegible] assumptions in elaborating the population projections. The Slovenian statistical office is carrying out a methodol[illegible]oject on harmonizing the integral definition of the population, including migrations, with the international standards. Thanks to assistance we have received from Eurostat, we acquired software and expert assistance, and in 1993 we elaborated a set of projections of the population of Slovenia in line with international criteria.

47. In keeping with the further process of democratisation in the country, income statistics shall be very important for the realistic measurement of the standard of living. This involves the continued further harmonization of the Family Budget Survey, possibly introducing the Time Budget Survey and the analysis of income data, and elaborating social indicators.

48. Due to the relatively high proportion of budgetary resources devoted to social transfers in our country and the growth of certain categories of population in need of social support, the development of the statistical monitoring of this field is very important.

49. The harmonization of wages statistics, and particularly the introduction of a labour cost survey or of a pilot survey in 1986, is also considered important.

50. The Statistical Computing, Communications and Informatics project anticipates that there will be a gradual introduction of standards in the field of Information Technology and EDP for statistical purposes.

51. We have enumerated in this section only some of the tasks that we consider most important to develop and make progress on. They are fully defined in the NPSS and are included in the Proposal for PHARE Programme, 3rd Revision.

CONCLUSION

52. The preparation of statistical survey programmes and priority setting is an extremely demanding task, due to the necessity of assuming users' needs. In countries under transition this is even more difficult, due to the changes under way throughout the social and economic structure. At a relatively early and strategically important stage in Slovenia, the decision was made to aim at European integration. This decision helped the Slovenian statistics, through their contacts with German, Austrian and Nordic statistical offices, to start the process of transition and harmonization with international standards. Joining the CES in 1992 and PHARE a year later has accelerated this systematic and programmed process. Signing the common declaration with Eurostat in the frame of the desired access of Slovenia to the associative agreement with the EU requires additional requirements as regards data needed for negotiations. We estimate that with additional human and financial resources we will be able to work on harmonizing the statistics at the latest, until the envisaged full membership in the EU is attained.

53. On the basis of our otherwise brief experience in the field of transition and cooperation with international statistical offices, we propose some general conclusions which we believe are characteristic of countries in transition which are at about the same level of development as Slovenia:

(1) Work on the development and harmonization of statistical standards is proceeding in the statistical work under way in developed countries, and therefore it is important that countries in transition are on a certain level of harmonization of general social environment and statistics and that as soon as possible they become actively included in the further development of international standards.

(2) Programming of statistics and priority-setting is especially important in transition countries which must achieve the expected level of harmonization in a relatively short period of time and with modest funding. In this view long-term and short-term programmes are important, whereas we anticipate that these programmes shall differ among the countries in transition with regard to the achieved level of transition of the entire society and the statistical offices themselves.

(3) Countries in transition which have achieved a comparatively high level of development cooperate particularly in common projects together with developed statistical offices that are, in any case, selected as the assisting (partner) country. The transition is carried out in various countries by various dynamics, and this is one of the reasons why they should not be grouped into special groups of countries in transition. Even at the 41st plenary session of the Conference the participants underlined the fact that an appropriate unified strategy towards countries in transition is not possible due to the various levels of development among them (10).

(4) Programmes of international institutions should be as harmonized as much as possible with national priorities being respected to the utmost. In this view the role of the Conference as the coordinator of coordinators is extremely important. The integrated presentation of the international statistical work programmes which was presented for the first time at the 41st plenary session of the Conference, is also an important step in this direction.

(5) Besides the international harmonization of the developmental aspects of Slovenia's national statistics, the co-ordination of the priorities within the country and the co-ordination of contacts with international organizations are especially important. In this view the following is required:

(a) introduction of general standards in administrative records as well. Thus the transition and harmonization of standards are required on the administrative level as well,

(b) the coordination of dissemination and interpretation of statistical data to the external international environment should be carried out via the national statistical office. This is why international institutions actually implement this, by addressing all the demands for statistical data only to NSOs.

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